

Proviso 89.121 – New FY10 Proviso

Note: This proviso was added by the House and amended further by the Senate and adopted in the budget approved by the General Assembly on May 13. As of this report (5/14/09), the budget is pending consideration of the Governor and, if applicable, subsequent action of the General Assembly.

Highlighted sections apply to higher education. Referenced code sections for Part A of the Proviso are copied below and were excerpted from www.scstatehouse.gov.

89.121. *(GP: Printed Report Requirements) (A) For Fiscal Year 2009-10, state supported institutions of higher learning shall not be required to submit printed reports mandated by Sections 2-47-40, 2-47-50, and 59-103-110 of the 1976 Code, and shall instead only submit the documents electronically.*

Submission of the plans or reports required by Sections 2-47-55, 59-101-350, 59-103-30, 59-103-45(4), and 59-103-160(D) shall be waived for the current fiscal year, except institutions of higher learning must continue to report under 2-47-55 year one of the Comprehensive Permanent Improvement Plan, student pass rates on professional examinations, and data elements otherwise required for the Commission on Higher Education Management Information System. The commission, in consultation with institutions, shall take further action to reduce data reporting burdens as possible.

(B) For Fiscal Year 2009-10, the Department of Agriculture shall not be required to submit printed reports mandated by Section 46-49-10 of the 1976 Code. The department shall provide these reports electronically and shall use any monetary savings for K5-12 agriculture education programs.

(C) For Fiscal Year 2009-10 the Department of Health and Human Services shall not be required to provide printed copies of the Medicaid Annual Report required pursuant to Section 44-6-80 of the 1976 Code and the Provider Reimbursement Rate Report required pursuant to proviso 21.16, and shall instead only submit the documents electronically.

(D) For Fiscal Year 2009-10 the Department of Commerce is prohibited from printing and distributing or mailing hard copy color brochures, that have been produced at department expense, to members of the General Assembly. Brochures or documents provided to members of the General Assembly shall only be produced in black and white.

(E) For Fiscal Year 2009-10, the Department of Transportation shall not be required to submit printed reports or publications mandated by Sections 1-11-58, 2-47-55, and 58-17-1450 of the 1976 Code.

CODE SECTIONS LISTED IN PART A OF PROVISIO 89.121 RELATING TO THOSE REPORTS FOR STATE SUPPORTED INSTITUTIONS OF HIGHER LEARNING THAT ARE TO BE SUBMITTED IN ELECTRONIC FORMAT IN LIEU OF A PRINTED FORMAT:

SECTION 2-47-40. Information to be furnished by agencies and institutions.

To assist the State Budget and Control Board (the Board) and the Joint Bond Review Committee (the Committee) in carrying out their respective responsibilities, any agency or institution requesting or receiving funds from any source for use in the financing of any permanent improvement project, as a minimum, shall provide to the Board, in such form and at such times as the Board, after review by the Committee, may prescribe: (a) a complete description of the proposed project; (b) a statement of justification for the proposed project; (c) a statement of the purposes and intended uses of the proposed project; (d) the estimated total cost of the proposed project; (e) an estimate of the additional future annual operating costs associated with the proposed project; (f) a statement of the expected impact of the proposed project on the five-year operating plan of the agency or institution proposing the project; (g) a

proposed plan of financing the project, specifically identifying funds proposed from sources other than capital improvement bond authorizations; and (h) the specification of the priority of each project among those proposed.

All institutions of higher learning shall submit permanent improvement project proposal and justification statements to the Board through the Commission on Higher Education which shall forward all such statements and all supporting documentation received to the Board together with its comments and recommendations. The recommendations of the Commission on Higher Education, among other things, shall include all of the permanent improvement projects requested by the several institutions listed in the order of priority deemed appropriate by the Commission on Higher Education without regard to the sources of funds proposed for the financing of the projects requested.

The Board shall forward a copy of each project proposal and justification statement and supporting documentation received together with the Board's recommendations on such projects to the Committee for its review and action. The recommendations of the Commission on Higher Education shall be included in the materials forwarded to the Committee by the Board.

No provision in this section or elsewhere in this chapter, shall be construed to limit in any manner the prerogatives of the Committee and the General Assembly with regard to recommending or authorizing permanent improvement projects and the funding such projects may require.

SECTION 2-47-50. Establishment of permanent improvement projects by Board; review of proposed revisions; "permanent improvement project" defined.

The board shall establish formally each permanent improvement project before actions of any sort which implement the project in any way may be undertaken and no expenditure of any funds for any services or for any other project purpose contracted for, delivered, or otherwise provided prior to the date of the formal action of the board to establish the project shall be approved. State agencies and institutions may advertise and interview for project architectural and engineering services for a pending project so long as the architectural and engineering contract is not awarded until after a state project number is assigned. After the committee has reviewed the form to be used to request the establishment of permanent improvement projects and has reviewed the time schedule for considering such requests as proposed by the board, requests to establish permanent improvement projects shall be made in such form and at such times as the board may require.

Any proposal to finance all or any part of any project using any funds not previously authorized specifically for the project by the General Assembly or using any funds not previously approved for the project by the board and reviewed by the committee shall be referred to the committee for review prior to approval by the board.

Any proposed revision of the scope or of the budget of an established permanent improvement project deemed by the board to be substantial shall be referred to the committee for its review prior to any final action by the board. In making their determinations regarding changes in project scope, the board and the committee shall utilize the permanent improvement project proposal and justification statements, together with any supporting documentation, considered at the time the project was authorized or established originally. Any proposal to increase the budget of a previously approved project using any funds not previously approved for the project by the board and reviewed by the committee shall in all cases be deemed to be a substantial revision of a project budget which shall be referred to the committee for review. The committee shall be advised promptly of all actions taken by the board which approve revisions in the scope of or the budget of any previously established permanent improvement project not deemed substantial by the board.

For purposes of this chapter, with regard to all institutions of higher learning, permanent improvement project is defined as:

- (1) acquisition of land, regardless of cost;
- (2) acquisition, as opposed to the construction, of buildings or other structures, regardless of cost;

(3) construction of additional facilities and work on existing facilities for any given project including their renovation, repair, maintenance, alteration, or demolition in those instances in which the total cost of all work involved is five hundred thousand dollars or more;

(4) architectural and engineering and other types of planning and design work, regardless of cost, which is intended to result in a permanent improvement project. Master plans and feasibility studies are not permanent improvement projects and are not to be included;

(5) capital lease purchase of a facility acquisition or construction; and

(6) equipment that either becomes a permanent fixture of a facility or does not become permanent but is included in the construction contract shall be included as a part of a project.

Any permanent improvement project that meets the above definition must become a project, regardless of the source of funds. However, an institution of higher learning that has been authorized or appropriated capital improvement bond funds, capital reserve fund or state appropriated funds, or state infrastructure bond funds by the General Assembly for capital improvements shall process a permanent improvement project, regardless of the amount.

SECTION 59-103-110. Approval for new construction; exemptions.

No public institution of higher learning shall be authorized to construct or purchase any new permanent facility at any location other than on a currently approved campus or on property immediately contiguous thereto unless such new location or purchase of improved or unimproved real property has been approved by the commission.

CODE SECTIONS LISTED IN PART A OF PROVISIO 89.121 RELATED TO REPORTING THAT IS WAIVED IN FY 2009-10:

SECTION 2-47-55. Comprehensive Permanent Improvement Plan.

(A) All state agencies responsible for providing and maintaining physical facilities are required to submit a Comprehensive Permanent Improvement Plan (CPIP) to the Joint Bond Review Committee and the Budget and Control Board. The CPIP must include all of the agency's permanent improvement projects anticipated and proposed over the next five years beginning with the fiscal year starting July 1 after submission. The purpose of the CPIP process is to provide the board and the committee with an outline of each agency's permanent improvement activities for the next five years. Agencies must submit a CPIP to the committee and the board on or before a date to be determined by the committee and the board. The CPIP for each higher education agency, including the technical colleges, must be submitted through the Commission on Higher Education which must review the CPIP and provide its recommendations to the board and the committee. The board and the committee must approve the CPIP after submission and may develop policies and procedures to implement and accomplish the purposes of this section.

(B) The State shall define a permanent improvement only in terms of capital improvements, as defined by generally accepted accounting principles, for reporting purposes to the State.

SECTION 59-101-350. Commission on Higher Education annual report; submission of information by educational institutions for inclusion in report; alumni surveys.

(A) The Commission on Higher Education shall submit an annual report to the Governor and to the General Assembly. The annual report must be published before January fifteenth of each year and presented in a readable format so as to easily compare with peer institutions in South Carolina and other Southern Regional Education Board states the state's public, post-secondary institutions. Prior to publication, the Commission on Higher Education shall distribute a draft of the report to all public, post-secondary institutions and shall allow comment upon the draft report. The Commission on Higher Education shall develop and adopt a format for the report and shall ensure consistent reporting and collecting of the data in the report by the institutions.

(B) Each four-year, post-secondary institution shall submit to the commission the following information for inclusion in the report, with the South Carolina Department of Corrections' students identified and reported separately:

- (1) the number and percentage of accredited programs and the number and percentage of programs eligible for accreditation;
- (2) the number and percentage of undergraduate and graduate students who completed their degree program;
- (3) the percent of lower division instructional courses taught by full-time faculty, part-time faculty, and graduate assistants;
- (4) the percent and number of students enrolled in remedial courses and the number of students exiting remedial courses and successfully completing entry-level curriculum courses;
- (5) the percent of graduate and upper division undergraduate students participating in sponsored research programs;
- (6) placement data on graduates;
- (7) the percent change in the enrollment rate of students from minority groups and the change in the total number of minority students enrolled over the past five years;
- (8) the percent of graduate students who received undergraduate degrees at the institution, within the State, within the United States, and from other nations;
- (9) the number of full-time students who have transferred from a two-year, post-secondary institution and the number of full-time students who have transferred to two-year, post-secondary institutions;
- (10) student scores on professional examinations with detailed information on state and national means, passing scores, and pass rates, as available, and with information on such scores over time, and the number of students taking each exam;
- (11) assessment information for the institution's Title II of the federal Higher Education Act of 1998 report that collects and analyzes data on applicant qualifications and the performance of the candidates and graduates;
- (12) appropriate information relating to each institution's role and mission to include policies and procedures to ensure that academic programs support the economic development needs in the State by providing a technologically skilled workforce;
- (13) any information required by the commission in order for it to measure and determine the institution's standard of achievement in regard to the performance indicators for quality academic success enumerated in Section 59-103-30.

(C) Each two-year, post-secondary institution shall submit to the commission the following information for inclusion in the report:

- (1) the number and percentage of accredited programs and the number and percentage of programs eligible for accreditation;
- (2) the number and percentage of undergraduate students who completed their degree program;
- (3) the percent of courses taught by full-time faculty members, part-time faculty, and graduate assistants;
- (4) placement rate on graduates;
- (5) the percent change in the enrollment rate of students from minority groups, the number of minority students enrolled, and the change in the total number of minority students enrolled over the past five years;

(6) the number of students who have transferred into a four-year, post-secondary institution and the number of students who have transferred from four-year, post-secondary institutions;

(7) appropriate information relating to the institution's role and mission to include policies and procedures to ensure that academic programs support the economic development needs in the State by providing a technologically skilled workforce;

(8) any information required by the commission in order for it to measure and determine the institution's standard of achievement in regard to the performance indicators for quality academic success enumerated in Section 59-103-30.

(D) The commission also shall develop with the cooperation of the public, post-secondary institutions, a uniform set of questions to be included in surveys to be used by each public, post-secondary institution in determining alumni satisfaction. The survey instruments must address the issues of overall satisfaction, satisfaction with major instruction, impact of general education, and current societal participation of alumni. Every two years the graduating class of three years prior must be surveyed by each institution using appropriate statistical techniques. Information from these surveys must be included every two years in the annual report as required herein.

(E) The commission shall make no funding decision, capital outlay decision, distribution or certification on behalf of any public, post-secondary institution that has not submitted the information required pursuant to this section.

(F) After discussions with the institutions, the Commission on Higher Education in consultation with the House Education and Public Works Committee and the Senate Education Committee shall develop the format for the higher education report as required herein.

(G) The Commission on Higher Education also is required in the annual report to report on the progress of institutions of higher education in implementing assessment programs, in their achievement of effectiveness goals, and on each institution's standard of achievement in regard to the performance indicators for academic success established in Section 59-103-30.

(H) The report required by this section must be filed in magnetic media form if the information is available in that form.

SECTION 59-103-30. Critical success factors and performance indicators.

(A) The General Assembly has determined that the critical success factors, in priority order, for academic quality in the several institutions of higher learning in this State are as follows:

- (1) Mission Focus;
- (2) Quality of Faculty;
- (3) Classroom Quality;
- (4) Institutional Cooperation and Collaboration;
- (5) Administrative Efficiency;
- (6) Entrance Requirements;
- (7) Graduates' Achievements;
- (8) User-friendliness of the Institution;
- (9) Research Funding.

(B) The General Assembly has determined that whether or not an institution embodies these critical success factors can be measured by the following performance indicators as reflected under the critical success factors below:

- (1) Mission Focus
 - (a) expenditure of funds to achieve institutional mission;
 - (b) curricula offered to achieve mission;
 - (c) approval of a mission statement;
 - (d) adoption of a strategic plan to support the mission statement;
 - (e) attainment of goals of the strategic plan.
- (2) Quality of Faculty

- (a) academic and other credentials of professors and instructors;
- (b) performance review system for faculty to include student and peer evaluations;
- (c) post-tenure review for tenured faculty;
- (d) compensation of faculty;
- (e) availability of faculty to students outside the classroom;
- (f) community and public service activities of faculty for which no extra compensation is paid.

(3) Instructional Quality

- (a) class sizes and student/teacher ratios;
- (b) number of credit hours taught by faculty;
- (c) ratio of full-time faculty as compared to other full-time employees;
- (d) accreditation of degree-granting programs;
- (e) institutional emphasis on quality teacher education and reform.

(4) Institutional Cooperation and Collaboration

- (a) sharing and use of technology, programs, equipment, supplies, and source matter experts within the institution, with other institutions, and with the business community;
- (b) cooperation and collaboration with private industry.

(5) Administrative Efficiency

- (a) percentage of administrative costs as compared to academic costs;
- (b) use of best management practices;
- (c) elimination of unjustified duplication of and waste in administrative and academic programs;
- (d) amount of general overhead costs.

(6) Entrance Requirements

- (a) SAT and ACT scores of student body;
- (b) high school class standing, grade point averages, and activities of student body;
- (c) post-secondary nonacademic achievements of student body;
- (d) priority on enrolling in-state residents.

(7) Graduates' Achievements

- (a) graduation rate;
- (b) employment rate for graduates;
- (c) employer feedback on graduates who were employed or not employed;
- (d) scores of graduates on post-undergraduate professional, graduate, or employment-related examinations and certification tests;
- (e) number of graduates who continued their education;
- (f) credit hours earned of graduates.

(8) User-Friendliness of Institution

- (a) transferability of credits to and from the institution;
- (b) continuing education programs for graduates and others;
- (c) accessibility to the institution of all citizens of the State.

(9) Research Funding

- (a) financial support for reform in teacher education;
- (b) amount of public and private sector grants.

(C) The commission, when using the critical success factors for the purpose of funding recommendations for institutions of higher learning, is required to use objective, measurable criteria.

(D) Critical success factors developed and used for the purpose of funding recommendations shall be those which are directly related to the missions of the particular type of institution as outlined in Section 59-103-15(B) and not those factors which are not relevant to the success factors of the particular type of institution.

SECTION 59-103-45(4).

...(4)(a) develop standards for determining how well an institution has met or achieved the performance indicators for quality academic success as enumerated in Section 59-103-30, and develop mechanisms for measuring the standards of achievement of particular institutions. These standards and measurement mechanisms shall be developed in consultation and cooperation with, at a minimum but not limited to, the Council of Presidents of State Institutions, the chairmen of the governing boards of the various institutions and the business community;

(b) base the higher education funding formula in part on the achievement of the standards set for these performance indicators including base-line funding for institutions meeting the standards of achievement, incentive funding for institutions exceeding the standards of achievement, and reductions in funding for institutions which do not meet the standards of achievement, provided that each institution under the formula until July 1, 1999, must receive at least its fiscal year 1996-1997 formula amount;

(c) promulgate regulations to implement the provisions of subitems (a) and (b) above and submit such regulations to the General Assembly for its review pursuant to the Administrative Procedures Act not later than the beginning of the 1997 Session of the General Assembly.

(d) develop a higher education funding formula based entirely on an institution's achievement of the standards set for these performance indicators, this formula to be used beginning July 1, 1999. This new funding formula also must be contained in regulations promulgated by the commission and submitted to the General Assembly for its review in accordance with the Administrative Procedures Act; ...

SECTION 59-103-160 (D) (English Fluency in Higher Learning Act)

(D)(1) Each institution of higher learning must submit its policy or amendments to the Commission on Higher Education within six months from the effective date of this section. Any amendments to the policy must be promptly forwarded to the commission. The commission shall notify the chairmen of the Senate and House Education Committees of those institutions not submitting plans and any amendment to the commission.

(2) Each institution of higher learning must report annually to the Commission on Higher Education and the chairmen of the Senate and House of Representatives Education Committees grievances filed by students under the requirement of subsection (C)(2) and the disposition of those grievances.